



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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California Statewide Taxable Sales Estimate Up 8% in Third Quarter 2011 *Statewide Taxable Sales Rose 5% in Third Quarter 2010*

Jerome E. Horton, Chairman of the California State Board of Equalization (BOE), today announced that taxable sales in California totaled \$121.3 billion in third quarter 2010, up \$5.8 billion (or 5 percent) from the same quarter the previous year. Personal income kept pace with taxable sales, increasing 5.0 percent over the same period (*Editors: see chart below comparing taxable sales and personal income*).

Additionally, more recent data indicate that a pronounced recovery in taxable sales continued into the third quarter of 2011. BOE's estimate of statewide taxable sales for the third quarter of 2011, based on cash receipts, shows that taxable sales are estimated to have risen 8 percent over the same period a year earlier.

"This latest taxable sales report shows that California continues to show some positive signs of economic recovery in 2010 and 2011," said Horton. "I remain optimistic while keeping in mind that many Californians still confront hardships due to the recession."

Third quarter 2010 taxable sales for the BOE Fourth District were up by \$1.1 billion (or 4.3 percent) from the third quarter the year before. Los Angeles, the state's largest city (by population) posted a third quarter gain of \$271 million (or 3.2 percent). Taxable sales for the City of Long Beach (the State's sixth largest city by population) increased by \$138 million (or 12.1 percent).

In constant dollar terms, taxable sales increased 4.2 percent in third quarter 2010 from the same quarter the previous year. The California Taxable Sales Deflator, which measures the rate of change of all taxable sales in the State, was up 0.7 percent in third quarter 2010. In comparison, the California Consumer Price Index, which measures the rate of change of common consumer goods, was up 0.9 percent in third quarter 2010.

California gasoline stations sales in third quarter 2010 dominated the other major industries in growth, increasing \$955 million, or 8.7 percent over the same quarter last year. With consumption growing slowly and a modest 3.1 percent increase in the price per gallon of gasoline, an analysis of these accounts indicates this growth was due to an increase in sales at these establishments of items other than fuel.

Clothing and accessories stores showed an increase in third quarter 2010 taxable sales of \$402.4 million, up 6.5 percent over the same quarter the year before. General merchandise, which represents the largest non-durable retail category, had an overall increase of 5.5 percent (or \$561.3 million) in third quarter 2010.

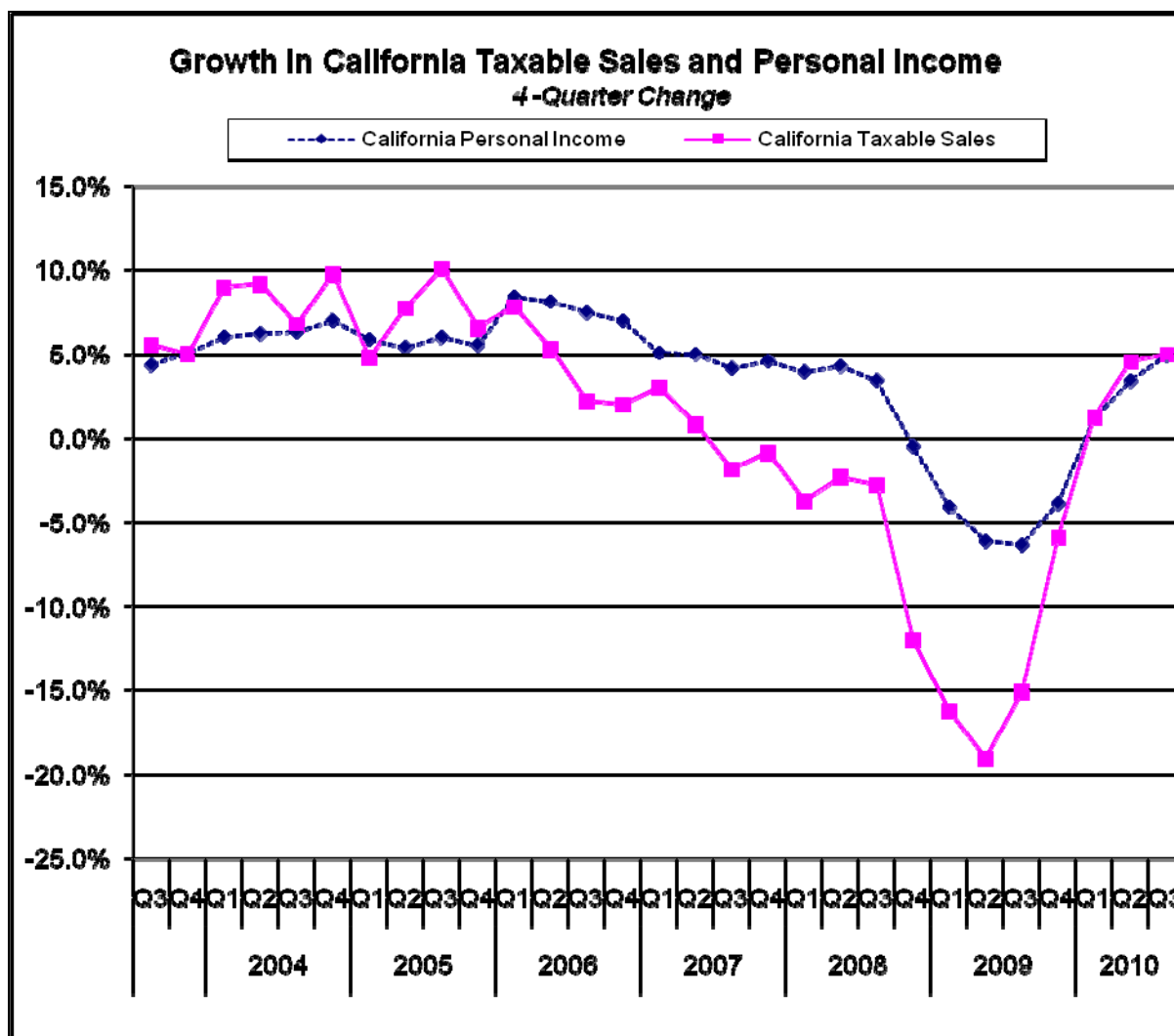
Motor vehicle parts and dealer sales were flat in third quarter 2010, posting only a 0.1 percent gain. Sales were buoyed by used car dealer sales, which increased 12.3 percent, but held back by losses in new car

dealers (-1.9 percent) and other motor vehicle dealer sales (which include RVs, motorcycles, boats, and aircraft), decreased by 5.6 percent.

Sales for “All Other Outlets”, which represents manufacture and wholesale, grew by \$2.6 billion, a gain of 7.1 percent in third quarter 2010 over the same quarter last year. This sector was buoyed by manufacturing, growing 9.9 percent, and wholesale trade, growing at 7.4 percent. Pulling down this sector were finance and insurance, decreasing 10.6 percent, and healthcare and social assistance, decreasing 6.4 percent.

Taxable Sales in California is a quarterly report on retail sales activity in California, as measured by transactions subject to sales and use tax. It includes data about statewide taxable sales by type of business, as well as data about taxable sales in all California cities and counties. To view all taxable sales in California, visit: www.boe.ca.gov/news/tsalescont.htm.

To view the third quarter of 2010 taxable sales in California, visit www.boe.ca.gov/news/tsalescont10.htm.



Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization Legislative Committee chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

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